

3-PART WEBINAR SERIES

Making profitable management decisions after the dry

Financial management considerations for producers





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BILOELA

RURAL FINANCIAL COUNSELLOR

BANANA SHIRE

RURAL FINANCIAL COUNSELLING SERVICE SQ

There are currently 150 rural financial counsellors across Australia.

Our service in Southern Queensland is represented by 18 Counsellors located across the Southern region with offices in various locations.

The RFCS Program in Queensland is a free, impartial and confidential service funded by the Australian and Queensland Governments.

Rural financial counsellors are a mobile workforce and can meet with the client on farm or at one of our offices.

Disclaimer

This information is general in nature, and is no substitute for seeking specialist input for your own circumstances.

HOW DOES THE RURAL FINANCIAL COUNSELLING SERVICE HELP?



“To assist rural people to identify ways to become self-reliant and better equipped to manage change and adjustment”

A rural financial counsellor can:

- help identify your financial and business options
- help prepare to meet with and negotiate with financiers
- help you develop an action plan
- help support you to access government and social assistance
- give you information about government and other assistance schemes
- refer you to accountants, agricultural advisers and educational services
- refer you to Department of Human Services and to professionals for succession planning, family mediation and personal, emotional and social counselling.



Rural financial counsellors do not provide family, emotional, social counselling or financial advice

Who makes the decisions?

**Rural financial counsellors support and work with primary producers to develop options...
The client makes the decisions.**





Understand Your Financial Position

The Steps

- Know what you have.
- Determine what you want.
- Identify the steps to achieve your Goal.
- Identify the tools/information/assistance you need.
- Develop a process that you can stick to.

Why?

Because anything we plan in advance gives us control
over the outcome.

Even if circumstances change.

Working with your bank:

- **Communicate** – they often own more of your enterprise than you do. Any business partner deserves honest appraisal of the situation.
- **Keep them up to date** – if it is impacting the business, they have an interest.
- **Maintain accurate and up to date accounting** – even if the returns have not been lodged, be able to provide accurate figures.
- **Be in a position to pitch your plan** – cost your proposal, know your market and returns. The bank needs to know it is investing in a winner.
- **Be prepared to negotiate**

Developing a Business Plan:

- Skills; experience; knowledge of the trade.
- Who is interested in buying what you are selling and for how much.
- Cost to set up the venture & keep it going
- What can go wrong, and your plan to cope with this.
- How does this end.



CASH FLOW

What's the point?

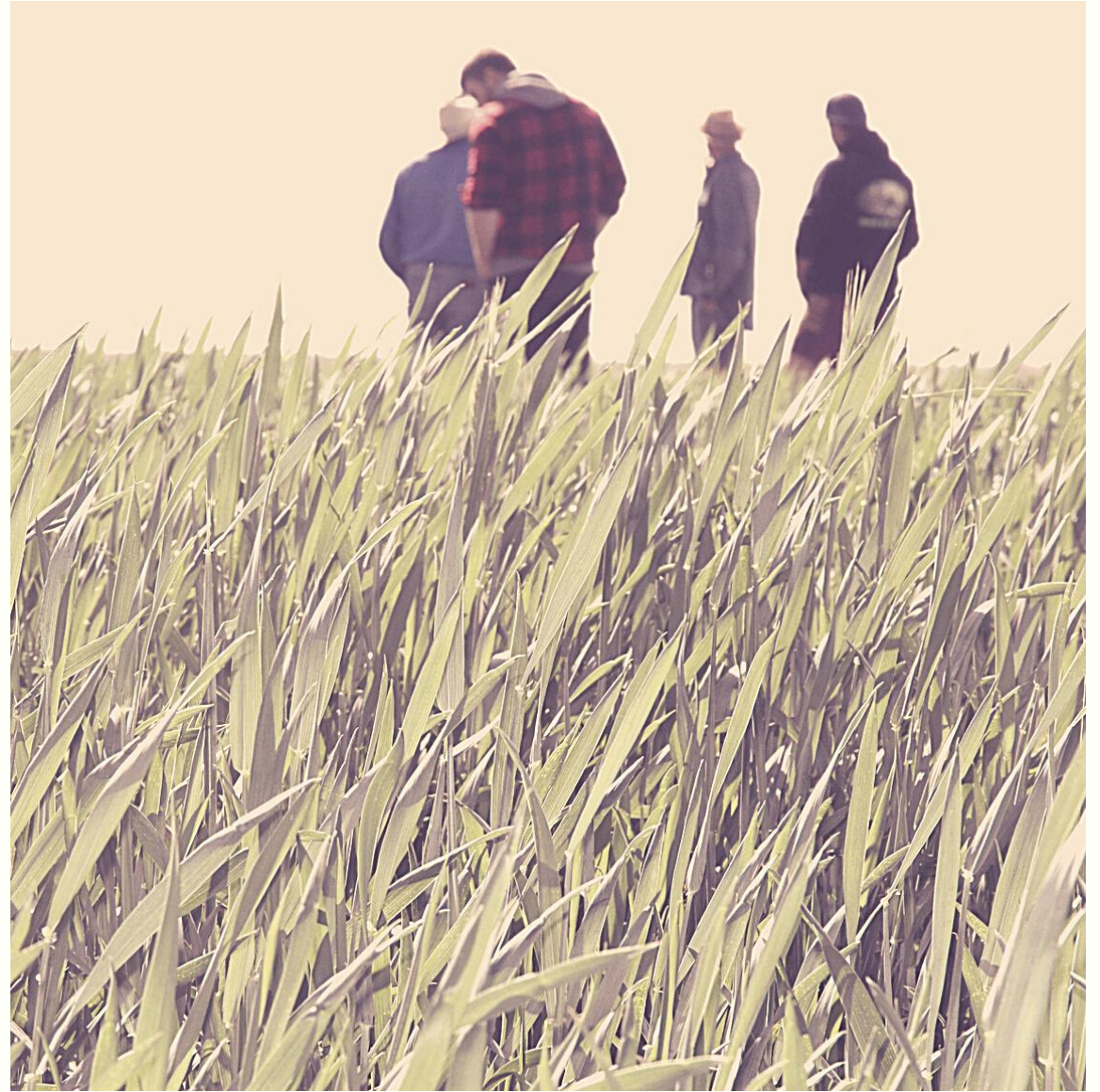
“We were always focused on our profit and loss statement. But cash flow was not a regularly discussed topic.

**It was as if we were driving along,
watching only the speedometer,
when in fact we were running out of gas.”**

Michael Dell, founder and CEO, Dell Technologies

TOOLS

- Financial Statements
(historical figures keep the future real.)
- Income and Expenditure
- Projections & Actuals
- Templates / Apps / Internet
- Robust Reviews



Cash Flow Projection: For the Period : 2019-20														
	Ju	Au	Se	Oc	No	De	Ja	Fe	Ma	Ap	Ma	Ju	TOTAL	
INCOME														INCOME
Cattle														0 Cattle
Hay sales														0 Hay Sales
Rebates														0 Rebates
Centrelink														0 Centrelink
Other														0 Other
TOTAL INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	TOTAL INCOME
OUTGO														OUTGO
Accounting														0 Accounting
Admin														0 Admin
Advertising														0 Advertising
Bank charges														0 Bank charges
Bookkeeping														0 Bookkeeping
Dog food														0 Dog food
Electricity														0 Electricity
Fuel & Oil														0 Fuel & Oil
Fodder														0 Fodder
Freight														0 Freight
Gas														0 Gas
Horse exp														0 Horse exp
Insurance														0 Insurance
	2019-20	2020-21	2004-05 actual	Stock (2)	Income-Outgo Annual comparison	Sheet10								

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SUPPORT

- Communication is Key
- Engage third party professionals – accountants and solicitors or Agribusiness Consultants
- Develop strategies you are comfortable with
- Implement strategies
- Templates

SUMMARY



Assess your
current business



Establish your
goals



Plan for the
future



Access the
internet



Seek
independent
advice



Gather financial
information



Monitor, review and
succeed

What is in the toolbox?

- ❑ Rural Financial Counsellors
- ❑ Subsidized Lending Options
 - ❖ Queensland Rural & Industry Development Authority (QRIDA)
 - ❖ Regional Investment Corporation (The RIC)
- ❑ Drought Relief Assistance Scheme – Qld Dept. Agriculture & Fisheries
- ❑ Farm Household Assistance – Services Australia
- ❑ Social Services
 - ❖ Salvation Army Drought Support
 - ❖ St Vincent De Paul Drought Support
 - ❖ QCWA Public Crisis and Drought Assistance.
 - ❖ Hardship provisions eg: Telstra; Ergon Energy.
- ❑ Farm HUB farmhub.org.au



Take Home Messages

- Having a plan gives your business structure.
- Keep it simple and real.
- Cost it accurately
- Changing the plan is not failing
- Keep everyone involved



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Thank you!